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CITY OF WEST SACRAMENTO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2008

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CITY OF WEST SACRAMENTO

**SINGLE AUDIT REPORT
For The Year Ended June 30, 2008**

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Findings and Questioned Costs.....	1
Section I - Summary of Auditor's Results.....	1
Section II – Financial Statement Findings.....	3
Section III – Federal Award Findings and Questioned Costs.....	4
Section IV - Status of Prior Year Findings and Questioned Costs.....	3
Schedule of Expenditures of Federal Awards.....	4
Notes to Schedule of Expenditures of Federal Awards.....	7
Report On Internal Control over Financial Reporting and On Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	9
Report On Compliance with Requirements Applicable To Each Major Program and On Internal Control Over Compliance In Accordance With OMB Circular A-133	11

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CITY OF WEST SACRAMENTO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2008

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unqualified

Internal control over major programs:

- Material weakness(es) identified? Yes x No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes x None Reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes x No

Identification of major programs:

CFDA#(s)	Name of Federal Program or Cluster
20.500	Federal Transit – Capital Investment Grants
14.239	Home Investment Partnerships Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? x Yes No

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SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum of Internal Control dated December 5, 2008, which should be read in conjunction with this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any findings or questioned costs required to be reported in accordance with section 510(a) of OMB Circular A-133.

SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Prepared by Management

Financial Statement Prior Year Findings

There were no prior year Financial Statement Findings reported.

Federal Award Prior Year Findings and Questioned Costs

There were no prior year Federal Award Findings and Questioned Costs reported.

CITY OF WEST SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Grantor Agency and Award Title	Identifying Pass-Through Grant Number	Federal Catalog Number	Program Expenditures
<u>U.S. Department of Agriculture</u>			
(Passed-through the State of California Dept. of Education)			
Summer Food Service Program	57-85700V	10.559	<u>\$35,110</u>
<u>U.S. Department of Housing and Urban Development</u>			
(Passed-through the State of California Dept. of Housing and Community Development)			
CDBG-Revolving PI for Rehab/FTHB Reuse	N/A	14.228	69,560
CDBG-Planning/Technical Assistance Grant 2004	4-PTAA-339	14.228	41,468
CDBG-Planning/Technical Assistance Grant 2005	05-PTAA-1477	14.228	33,445
CDBG-Rehab/Homebuyer/New Construction	04-STBG-1972	14.228	738,483
2001 Home Grant-Rehab (Revolving Program Income)	01-HOME-0543	14.239	3,897
2003 Home Grant-FTHB (Revolving Program Income)	03-HOME-0696	14.239	36,936
2004 Home Program-First Time Homebuyer	04-HOME-0768	14.239	28,785
2006 Home Program-Rehab & First time Homebuyer	06-HOME-2369	14.239	150,884
2006 Home Program-Rental New Construction	06-HOME-2447	14.239	1,336,802
2007 Home Program-First Time Homebuyer	07-HOME-3181	14.239	239,700
CDBG-Housing Conditions Survey	07-PTAG-3006	14.239	3,494
Program Subtotal			<u>2,683,454</u>
<u>U.S. Environmental Protection Agency</u>			
Brownsfields Assessment and Cleanup (06)		66.818	<u>83,077</u>
<u>U.S. Department of Justice</u>			
Bulletproof Vests Partnership Program		16.607	<u>6,334</u>
(Passed-through the State of California, Governor's Office of Emergency Services)			
Law Enforcement Specialized Units Program	LE06048462	16.588	41,610
Law Enforcement Specialized Units Program	LE07058462	16.588	<u>41,609</u>
Program Subtotal			<u>83,219</u>
<u>U.S. Department of Homeland Security</u>			
Adequate Fire and Emergency Response Grant		97.044	28,463
(Passed-through the City of Davis)			
Assistance to Firefighters-Operations and Safety	EMW-2006-FG-18167	97.044	<u>52,641</u>
Program Subtotal			<u>81,104</u>
(Passed-through the County of Yolo, Office of Emergency Services)			
State Domestic Preparedness Equipment Program	2005-15	97.073	<u>67,947</u>

(Continued)

CITY OF WEST SACRAMENTO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Grantor Agency and Award Title	Identifying Pass-Through Grant Number	Federal Catalog Number	Program Expenditures
<u>U.S. Department of Transportation</u>			
Federal Highway Administration			
(Passed-through the State of California Business, Transportation and Housing Agency)			
Tower Bridge Gateway at Riske Lane	03-YOLO-WSAC	20.205	<u>1,504,859</u>
Click it or Ticket		20.600	4,749
(Passed-through the City of Davis)			
Avoid the Eight DUI Campaign	AL0691	20.600	4,649
(Passed-Through the University of California, Berkeley)			
Sobriety Checkpoint Program	SC08459	20.600	<u>3,737</u>
Program Subtotal			<u>13,135</u>
Federal Transit Administration			
Capital Improvement Grants (West Sac Transit Center)		20.500	80,942
(Passed-through the County of Yolo, Transportation District)			
YCTD - Streetcar Feasibility Study	STIP 64A00804	20.500	<u>1,526,213</u>
Program Subtotal			<u>1,607,155</u>
Total Expenditures of Federal Awards			<u>\$6,165,394</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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CITY OF WEST SACRAMENTO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2008

NOTE 1-REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of West Sacramento, California, and its component units as disclosed in the notes to the Basic Financial Statements.

NOTE 2-BASIS OF ACCOUNTING

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3-DIRECT AND INDIRECT (PASS-THROUGH) FEDERAL AWARDS

Federal awards may be granted directly to the City by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the City. The Schedule includes both of these types of Federal award programs when they occur.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and City Council
of the City of West Sacramento, California

We have audited the financial statements of the City of West Sacramento as of and for the year ended June 30, 2008, and have issued our report thereon dated December 5, 2008. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about the whether City financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We have also issued a separate Memorandum on Internal Control dated December 5, 2008 which should be read in conjunction with this report.

This report is intended solely for the information and use of City Council, the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

December 5, 2008

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and City Council
of the City of West Sacramento, California

Compliance

We have audited the compliance of the City of West Sacramento with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in Section I - Summary of Auditor's Results included in the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal controls over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal control over compliance.

A *control deficiency* in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the City as of and for the year ended June 30, 2008, and have issued our report thereon dated December 5, 2008. Our audit was performed for the purpose of forming opinions on the financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of City Council, the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maye & Associates

December 5, 2008